

Can you provide some cost reporting examples?

Cost Reporting Example Illustrating Estimated Premiums

This example illustrates the use of the estimated percentage of premium approach that may be elected by fully insured plans. In the example, the insurer determines that the total estimated premium cost for the Plan Sponsor in January is \$600. Further, in determining the Estimated Cost Adjustment, the Plan Sponsor uses a methodology that allocates rebates as a percentage of incurred drug costs for each qualifying covered retiree between the cost threshold and the cost limit. Under that methodology, the Plan Sponsor determines the Estimated Cost Adjustment to be three percent.

Under this example, \$600 should be entered in the Estimated Premium (EP) column for January. The Estimated Cost Adjustment amount for January is \$18 (\$600 x 3%). If the \$18 is entered in the Estimated Cost Adjustment column, then the Allowable Retiree Cost for January is \$582 (\$600.00 - \$18.00 = \$582.00). If the Plan Sponsor prefers it, the Estimated Cost Adjustment can be included with the Estimated Premium and \$582 would be entered for the Estimated Premium. Either way, the Allowable Retiree Cost would still be equal to \$582.

	A	B	C	D	E	F	G	H	I	J
1	UBOI	Month/Year	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible	Estimated Cost Adjustment	Allowable Retiree Cost (ARC) = GE - ECA	Subsidy Amount (SA) = ARC X .28
2	TOTAL	ALL MONTHS	\$600.00	\$0.00	\$0.00	\$0.00	\$600.00	\$18.00	\$582.00	\$162.96
3	AbCo Plus	Feb-05	N/A				N/A	N/A	N/A	N/A
4		Mar-05	N/A				N/A	N/A	N/A	N/A
5		Apr-05	N/A				N/A	N/A	N/A	N/A
6		May-05	N/A				N/A	N/A	N/A	N/A
7		Jun-05	N/A				N/A	N/A	N/A	N/A
8		Jul-05	N/A				N/A	N/A	N/A	N/A
9		Aug-05	N/A				N/A	N/A	N/A	N/A
10		Sep-05	N/A				N/A	N/A	N/A	N/A
11		Oct-05	N/A				N/A	N/A	N/A	N/A
12		Nov-05	N/A				N/A	N/A	N/A	N/A
13		Dec-05	N/A				N/A	N/A	N/A	N/A
14		Jan-06	\$600				\$600.00	\$18.00	\$582.00	\$162.96
15		Feb-06					\$0.00		\$0.00	\$0.00
16		Mar-06					\$0.00		\$0.00	\$0.00
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Estimated Premium (EP) With Estimated Cost Adjustment taken separately

	A	B	C	D	E	F	G	H	I	J
1	UBOI	Month/Year	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible	Estimated Cost Adjustment	Allowable Retiree Cost (ARC) = GE - ECA	Subsidy Amount (SA) = ARC X .28
2	TOTAL	ALL MONTHS	\$582.00	\$0.00	\$0.00	\$0.00	\$582.00	\$0.00	\$582.00	\$162.96
3	AbCo Plus	Feb-05	N/A				N/A	N/A	N/A	N/A
4		Mar-05	N/A				N/A	N/A	N/A	N/A
5		Apr-05	N/A				N/A	N/A	N/A	N/A
6		May-05	N/A				N/A	N/A	N/A	N/A
7		Jun-05	N/A				N/A	N/A	N/A	N/A
8		Jul-05	N/A				N/A	N/A	N/A	N/A
9		Aug-05	N/A				N/A	N/A	N/A	N/A
10		Sep-05	N/A				N/A	N/A	N/A	N/A
11		Oct-05	N/A				N/A	N/A	N/A	N/A
12		Nov-05	N/A				N/A	N/A	N/A	N/A
13		Dec-05	N/A				N/A	N/A	N/A	N/A
14		Jan-06	\$582				\$582.00	\$0.00	\$582.00	\$162.96
15		Feb-06					\$0.00		\$0.00	\$0.00
16		Mar-06					\$0.00		\$0.00	\$0.00
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Estimated Premium (EP) With Estimated Cost Adjustment included.

Cost Reporting Example Illustrating Gross Retiree Costs

This example illustrates cost reporting for plans reporting actual costs, not estimated premiums. The Plan Sponsor in this example is a calendar year plan that has three retirees. As in the prior example, the Sponsor uses a methodology that determines the Estimated Cost Adjustment to be three percent. The retirees have the following Gross Retiree Costs:

Ana Smith Gross Retiree Costs: \$300.23 for January, \$1530 for February, and \$3550 for March.

John Smith Gross Retiree Costs: \$220.10 for January, \$1600 for February, and \$1500 for March.

Sam Adams Gross Retiree Costs: \$150 for January, \$1500 for February, and \$3500 for March

	A	B	C	D	E	F	G
1	MEMBER	NDC_CODE	FILLED DATE	PAID DATE	PLAN_PD	OOP	GROSS
2	Ana Smith	EX555083202	1/3/2006	1/5/2006	\$140.23	\$10.00	\$150.23
3	Ana Smith	EX555083202	1/21/2006	1/23/2006	\$140.00	\$10.00	\$150.00
4	Ana Smith	EX555083202	2/3/2006	2/5/2006	\$820.00	\$10.00	\$830.00
5	Ana Smith	EX555083202	2/21/2006	2/23/2006	\$690.00	\$10.00	\$700.00
6	Ana Smith	EX555083202	3/3/2006	3/5/2006	\$1,000.00	\$10.00	\$1,010.00
7	Ana Smith	EX543676765	3/10/2006	3/11/2006	\$1,210.00	\$10.00	\$1,220.00
8	Ana Smith	EX555083202	3/21/2006	3/23/2006	\$1,310.00	\$10.00	\$1,320.00
9	John Smith	EX555083202	1/2/2006	1/2/2006	\$210.10	\$10.00	\$220.10
10	John Smith	EX555083202	2/2/2006	2/2/2006	\$1,590.00	\$10.00	\$1,600.00
11	John Smith	EX655586777	3/2/2006	3/2/2006	\$1,490.00	\$10.00	\$1,500.00
12	Sam adams	EX575083342	1/15/2006	1/16/2006	\$140.00	\$10.00	\$150.00
13	Sam Adams	EX575083342	2/15/2006	2/16/2006	\$1,490.00	\$10.00	\$1,500.00
14	Sam Adams	EX575083342	3/2/2006	3/3/2006	\$1,001.72	\$10.00	\$1,011.72
15	Sam adams	EX556688644	3/9/2006	3/10/2006	\$990.00	\$10.00	\$1,000.00
16	Sam adams	EX665545653	3/16/2006	3/18/2006	\$1,478.28	\$10.00	\$1,488.28

Sample Retiree Data Gross Retiree Costs

The total for January is the sum of the gross costs for all retirees, or \$670.33 (\$300.23 + \$220.10 + 150). The total for February is \$4630 (\$1530 + \$1600 + \$1500). The total for March is \$8,550 (\$3550 + \$1500 + \$3500).

	A	B	C	D	E	F	G	H	I	J
1	UBOI	Month/Year	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible	Estimated Cost Adjustment (ECA)	Allowable Retiree Cost (ARC) = GE - ECA	Subsidy Amount (SA) = ARC X .28
2	TOTAL	ALL MONTHS	\$0.00	\$13,850.33	\$750.00	\$530.23	\$12,570.10	\$377.10	\$12,193.00	\$3,414.04
3	AbCo Plus	Feb-05	N/A				N/A	N/A	N/A	N/A
4		Mar-05	N/A				N/A	N/A	N/A	N/A
5		Apr-05	N/A				N/A	N/A	N/A	N/A
6		May-05	N/A				N/A	N/A	N/A	N/A
7		Jun-05	N/A				N/A	N/A	N/A	N/A
8		Jul-05	N/A				N/A	N/A	N/A	N/A
9		Aug-05	N/A				N/A	N/A	N/A	N/A
10		Sep-05	N/A				N/A	N/A	N/A	N/A
11		Oct-05	N/A				N/A	N/A	N/A	N/A
12		Nov-05	N/A				N/A	N/A	N/A	N/A
13		Dec-05	N/A				N/A	N/A	N/A	N/A
14		Jan-06		\$670.33	\$620.10	\$0.00	\$50.23	\$151	\$48.72	\$13.64
15		Feb-06		\$4,630.00	\$129.30	\$0.00	\$4,500.10	\$135.00	\$4,365.10	\$1,222.23
16		Mar-06		\$8,550.00	\$0.00	\$530.23	\$8,019.77	\$240.59	\$7,779.18	\$2,178.17
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Sample Summary Data Gross Retiree Costs

Cost Reporting Example Illustrating Threshold Reductions

In this example, the threshold reduction used is the \$250 for plan years ending in 2006. For each retiree, the Threshold Reduction is as follows:

Ana Smith Threshold Reduction: \$250 for January, \$0 for February, and \$0 for March.

John Smith Threshold Reduction: \$220.10 for January, \$29.90 for February, and \$0 for March.

Sam Adams Threshold Reduction: \$150 for January, \$100 for February, and \$0 for March.

	A	B	C	D	E	F	G
1	MEMBER	NDC_CODE	FILLED_DATE	PAID_DATE	PLAN_PD	OOP	GROSS
2	Ana Smith	EX555083202	1/3/2006	1/5/2006	\$140.23	\$10.00	\$150.23
3	Ana Smith	EX555083202	1/21/2006	1/23/2006	\$140.00	\$10.00	\$150.00
4	Ana Smith	EX555083202	2/3/2006	2/5/2006	\$820.00	\$10.00	\$830.00
5	Ana Smith	EX555083202	2/21/2006	2/23/2006	\$690.00	\$10.00	\$700.00
6	Ana Smith	EX555083202	3/3/2006	3/5/2006	\$1,000.00	\$10.00	\$1,010.00
7	Ana Smith	EX543676765	3/10/2006	3/11/2006	\$1,210.00	\$10.00	\$1,220.00
8	Ana Smith	EX555083202	3/21/2006	3/23/2006	\$1,310.00	\$10.00	\$1,320.00
9	John Smith	EX555083202	1/2/2006	1/2/2006	\$210.10	\$10.00	\$220.10
10	John Smith	EX555083202	2/2/2006	2/2/2006	\$1,590.00	\$10.00	\$1,600.00
11	John Smith	EX655566777	3/2/2006	3/2/2006	\$1,490.00	\$10.00	\$1,500.00
12	Sam adams	EX575083342	1/15/2006	1/16/2006	\$140.00	\$10.00	\$150.00
13	Sam Adams	EX575083342	2/15/2006	2/16/2006	\$1,490.00	\$10.00	\$1,500.00
14	Sam Adams	EX575083342	3/2/2006	3/3/2006	\$1,001.72	\$10.00	\$1,011.72
15	Sam adams	EX556688644	3/9/2006	3/10/2006	\$990.00	\$10.00	\$1,000.00
16	Sam adams	EX665545653	3/16/2006	3/18/2006	\$1,478.28	\$10.00	\$1,488.28

Sample Retiree Data Threshold Reduction

The total Threshold Reduction for January is the sum of the Threshold Reductions for all retirees, or \$620.10 (\$250 + \$220.10 + \$150). The total for February is \$129.90 (\$29.90 + \$100). The total for March is \$0.

	A	B	C	D	E	F	G	H	I	J
1	UBOI	Month/Year	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible	Estimated Cost Adjustment (ECA)	Allowable Retiree Cost (ARC) = GE - ECA	Subsidy Amount (SA) = ARC X .28
2	TOTAL	ALL MONTHS	\$0.00	\$13,850.33	\$750.00	\$530.23	\$12,570.10	\$377.10	\$12,193.00	\$3,414.04
3	AbCo Plus	Feb-05	N/A				N/A	N/A	N/A	N/A
4		Mar-05	N/A				N/A	N/A	N/A	N/A
5		Apr-05	N/A				N/A	N/A	N/A	N/A
6		May-05	N/A				N/A	N/A	N/A	N/A
7		Jun-05	N/A				N/A	N/A	N/A	N/A
8		Jul-05	N/A				N/A	N/A	N/A	N/A
9		Aug-05	N/A				N/A	N/A	N/A	N/A
10		Sep-05	N/A				N/A	N/A	N/A	N/A
11		Oct-05	N/A				N/A	N/A	N/A	N/A
12		Nov-05	N/A				N/A	N/A	N/A	N/A
13		Dec-05	N/A				N/A	N/A	N/A	N/A
14		Jan-06		\$670.33	\$620.10	\$0.00	\$50.23	\$151	\$48.72	\$13.64
15		Feb-06		\$4,630.00	\$129.90	\$0.00	\$4,500.10	\$135.00	\$4,365.10	\$1,222.23
16		Mar-06		\$8,550.00	\$0.00	\$530.23	\$8,019.77	\$240.53	\$7,779.18	\$2,178.17
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Sample Summary Data Threshold Reduction

Cost Reporting Example Illustrating Limit Reductions

In this example, the limit reduction used is the \$5000 for plan years ending in 2006. For each retiree, the Limit Reduction is as follows:

Ana Smith Limit Reduction: \$0 for January, \$0 for February, and \$380.23 for March [total accumulated Gross Retiree Cost is \$300.23 + \$1530 + \$3550] – [the 2006 cost limit (\$5000)].

John Smith Limit Reduction: \$0 for January, \$0 for February, and \$0 for March (total accumulated Gross Retiree Cost is less than \$5000).

Sam Adams Limit Reduction: \$0 for January, \$0 for February, and \$150 for March [total accumulated Gross Retiree Cost is \$150.00 + \$1500 + \$3500] – [the 2006 cost limit (\$5000)].

	A	B	C	D	E	F	G
1	MEMBER	NDC_CODE	FILLED_DATE	PAID_DATE	PLAN_PD	OOP	GROSS
2	Ana Smith	EX555083202	1/3/2006	1/5/2006	\$140.23	\$10.00	\$150.23
3	Ana Smith	EX555083202	1/21/2006	1/23/2006	\$140.00	\$10.00	\$150.00
4	Ana Smith	EX555083202	2/3/2006	2/5/2006	\$820.00	\$10.00	\$830.00
5	Ana Smith	EX555083202	2/21/2006	2/23/2006	\$690.00	\$10.00	\$700.00
6	Ana Smith	EX555083202	3/3/2006	3/5/2006	\$1,000.00	\$10.00	\$1,010.00
7	Ana Smith	EX543676765	3/10/2006	3/11/2006	\$1,210.00	\$10.00	\$1,220.00
8	Ana Smith	EX555083202	3/21/2006	3/23/2006	\$1,310.00	\$10.00	\$1,320.00
9	John Smith	EX555083202	1/2/2006	1/2/2006	\$210.10	\$10.00	\$220.10
10	John Smith	EX555083202	2/2/2006	2/2/2006	\$1,590.00	\$10.00	\$1,600.00
11	John Smith	EX655586777	3/2/2006	3/2/2006	\$1,490.00	\$10.00	\$1,500.00
12	Sam adams	EX575083342	1/15/2006	1/16/2006	\$140.00	\$10.00	\$150.00
13	Sam Adams	EX575083342	2/15/2006	2/16/2006	\$1,490.00	\$10.00	\$1,500.00
14	Sam Adams	EX575083342	3/2/2006	3/3/2006	\$1,001.72	\$10.00	\$1,011.72
15	Sam adams	EX556688644	3/9/2006	3/10/2006	\$990.00	\$10.00	\$1,000.00
16	Sam adams	EX665545653	3/16/2006	3/18/2006	\$1,478.28	\$10.00	\$1,488.28

Sample Retiree Data Limit Reductions

The total Limit Reduction for January is the sum of the Limit Reductions for all retirees, or \$0. The total for February is \$0. The total for March is \$530.23 (\$380.23 + 0 + \$150.00).

	A	B	C	D	E	F	G	H	I	J
1	UBOI	Month/Year	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible	Estimated Cost Adjustment (ECA)	Allowable Retiree Cost (ARC) = GE - ECA	Subsidy Amount (SA) = ARC X .28
2	TOTAL	ALL MONTHS	\$0.00	\$13,850.33	\$750.00	\$530.23	\$12,570.10	\$377.10	\$12,193.00	\$3,414.04
3	AbCo Plus	Feb-05	N/A				N/A	N/A	N/A	N/A
4		Mar-05	N/A				N/A	N/A	N/A	N/A
5		Apr-05	N/A				N/A	N/A	N/A	N/A
6		May-05	N/A				N/A	N/A	N/A	N/A
7		Jun-05	N/A				N/A	N/A	N/A	N/A
8		Jul-05	N/A				N/A	N/A	N/A	N/A
9		Aug-05	N/A				N/A	N/A	N/A	N/A
10		Sep-05	N/A				N/A	N/A	N/A	N/A
11		Oct-05	N/A				N/A	N/A	N/A	N/A
12		Nov-05	N/A				N/A	N/A	N/A	N/A
13		Dec-05	N/A				N/A	N/A	N/A	N/A
14		Jan-06		\$670.33	\$620.10	\$0.00	\$50.23	\$151	\$48.72	\$13.64
15		Feb-06		\$4,630.00	\$129.90	\$0.00	\$4,500.10	\$135.00	\$4,365.10	\$1,222.23
16		Mar-06		\$8,550.00	\$0.00	\$530.23	\$8,019.77	\$240.53	\$7,779.18	\$2,178.17
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Sample Summary Data Limit Reductions

Cost Reporting Example Illustrating Estimated Cost Adjustments

For each retiree, the Estimated Cost Adjustment (using the three percent of cost figure determined by the Plan Sponsor) is as follows:

Ana Smith Estimated Cost Adjustment: For January, her Gross Eligible (GE) amount is \$50.23 (\$300.23 - \$250 - \$0); the ECA is \$1.51 (GE x .03). For February, her GE is \$1530 (\$1530 - \$0 - \$0); the ECA is \$45.90 (GE x .03). For March, her GE is \$3169.77 (\$3550 - \$0 - \$380.23); the ECA is \$95.09 (GE x .03).

John Smith Estimated Cost Adjustment: For January, his GE is \$0 (\$220.10 - \$220.10 - \$0); the ECA is \$0. For February, his GE is \$1570.10 (\$1600 - \$29.90 - \$0); the ECA is \$47.10 (GE x .03). For March, his GE is \$1500 (\$1500 - \$0 - \$0); the ECA is \$45 (GE x .03).

Sam Adams Estimated Cost Adjustment: For January his GE is \$0 (\$150 - \$150 - \$0); the Estimated Cost Adjustment is \$0. For February, his GE is \$1400 (\$1500 - \$100 - \$0); the ECA is \$42 (GE x .03). For March, his GE is \$3350 (\$3500 - \$0 - \$150); the Estimated Cost Adjustment is \$100.50 (GE x .03).

Note: The ECA is applied to the *gross retiree costs between the threshold reduction and limit reduction*--the Gross Eligible amount. Accordingly, if the Gross Eligible amount is \$0 because the entire gross retiree cost was applied to the threshold or limit reductions, the ECA is also \$0. The ECA will never be a negative number.

	A	B	C	D	E	F	G
1	MEMBER	NDC_CODE	FILLED DATE	PAID_DATE	PLAN_PD	OOP	GROSS
2	Ana Smith	EX555083202	1/3/2006	1/5/2006	\$140.23	\$10.00	\$150.23
3	Ana Smith	EX555083202	1/21/2006	1/23/2006	\$140.00	\$10.00	\$150.00
4	Ana Smith	EX555083202	2/3/2006	2/5/2006	\$820.00	\$10.00	\$830.00
5	Ana Smith	EX555083202	2/21/2006	2/23/2006	\$690.00	\$10.00	\$700.00
6	Ana Smith	EX555083202	3/3/2006	3/5/2006	\$1,000.00	\$10.00	\$1,010.00
7	Ana Smith	EX543676765	3/10/2006	3/11/2006	\$1,210.00	\$10.00	\$1,220.00
8	Ana Smith	EX555083202	3/21/2006	3/23/2006	\$1,310.00	\$10.00	\$1,320.00
9	John Smith	EX555083202	1/2/2006	1/2/2006	\$210.10	\$10.00	\$220.10
10	John Smith	EX555083202	2/2/2006	2/2/2006	\$1,590.00	\$10.00	\$1,600.00
11	John Smith	EX655566777	3/2/2006	3/2/2006	\$1,490.00	\$10.00	\$1,500.00
12	Sam adams	EX575083342	1/15/2006	1/16/2006	\$140.00	\$10.00	\$150.00
13	Sam Adams	EX575083342	2/15/2006	2/16/2006	\$1,490.00	\$10.00	\$1,500.00
14	Sam Adams	EX575083342	3/2/2006	3/3/2006	\$1,001.72	\$10.00	\$1,011.72
15	Sam adams	EX556688644	3/9/2006	3/10/2006	\$990.00	\$10.00	\$1,000.00
16	Sam adams	EX665545653	3/16/2006	3/18/2006	\$1,478.28	\$10.00	\$1,488.28

Sample Retiree Data Estimated Cost Adjustment

The total Estimated Cost Adjustment for January is \$1.51 (\$0 + \$0 + \$1.51).

The total Estimated Cost Adjustment for February is \$135 (\$45.90 + \$47.10 + \$42).
The total Estimated Cost Adjustment for March is \$240.59 (\$95.09 + \$45 + \$100.50)

	A	B	C	D	E	F	G	H	I	J
1	UBOI	Month/Year	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible	Estimated Cost Adjustment	Allowable Retiree Cost (ARC) = GE - ECA	Subsidy Amount (SA) = ARC X .28
2	TOTAL	ALL MONTHS	\$0.00	\$13,850.33	\$750.00	\$530.23	\$12,570.10	\$377.10	\$12,193.00	\$3,414.04
3	AbCo Plus	Feb-05	N/A				N/A	N/A	N/A	N/A
4		Mar-05	N/A				N/A	N/A	N/A	N/A
5		Apr-05	N/A				N/A	N/A	N/A	N/A
6		May-05	N/A				N/A	N/A	N/A	N/A
7		Jun-05	N/A				N/A	N/A	N/A	N/A
8		Jul-05	N/A				N/A	N/A	N/A	N/A
9		Aug-05	N/A				N/A	N/A	N/A	N/A
10		Sep-05	N/A				N/A	N/A	N/A	N/A
11		Oct-05	N/A				N/A	N/A	N/A	N/A
12		Nov-05	N/A				N/A	N/A	N/A	N/A
13		Dec-05	N/A				N/A	N/A	N/A	N/A
14		Jan-06		\$670.33	\$620.10	\$0.00	\$50.23	\$1.51	\$48.72	\$13.64
15		Feb-06		\$4,630.00	\$129.90	\$0.00	\$4,500.10	\$135.00	\$4,365.10	\$1,222.23
16		Mar-06		\$8,550.00	\$0.00	\$530.23	\$8,019.77	\$240.59	\$7,779.18	\$2,178.17
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Sample Summary Data Estimated Cost Adjustment

Cost Reporting Example Illustrating Reporting 2005 Costs

Plan Sponsors that are submitting costs for plan years that begin in calendar year 2005 must include 2005 drug costs of qualifying covered retirees for meeting the Threshold Reduction and the Limit Reduction for 2006 if the following conditions are met:

- The retiree was Medicare eligible as of 1/1/2006 and was enrolled in the plan in 2005. The retiree did not have to be Medicare-eligible before 1/1/2006 in order to count the 2005 costs. However, if the retiree became Medicare-eligible effective 1/2/2006 or thereafter, the costs only start incurring towards the threshold at the point of Medicare eligibility.
- Only costs incurred while the retiree is not in current employment status with the RDS sponsor/employer can be counted towards the Threshold Reduction.
- Only costs incurred for Part D drugs can be counted.
- The 2005 Part D drug costs of a qualifying covered retiree are also counted against the Limit Reduction. Accordingly, if a retiree incurs \$5,000 in Part D

drug costs in 2005; the retiree is *not eligible* to be counted for the subsidy in 2006. However, a Plan Sponsor must still report costs for these retirees who met the \$5000 Cost Limit in CY 2005 for the purpose of reconciliation.

- The 2005 drug costs must be reported in the appropriate columns in the month in which they were incurred.

Example: A plan sponsor has a plan year that begins April 1, 2005 and ends in March 31, 2006. There are seven qualifying covered retirees that are eligible for the subsidy:

Retiree 1, Bill Brown, incurred costs of \$250 in June 2005, \$380 in July 2005, \$630 in August 2005 and \$320.30 in January 2006.

Retiree 2, John Jakes, incurred costs of \$140.12 in July 2005, \$150.10 in November 2005 and \$340.45 in March 2006.

Retiree 3, Tina Clark, incurred costs of \$270.10 in April 2005 and \$201.50 in May 2005.

Retiree 4, Tim Jones, incurred costs of \$4500 in December 2005 and \$600 in January 2006.

Retiree 5, Ana Smith (*will not be eligible for subsidy in 2006*), incurred costs of \$6000 in December 2005 and \$300 in January 2006.

Retiree 6, Sam Adams, incurred costs of \$200 in December 2005 and \$800 in January 2006. Retiree 7, Debra Berry, incurred costs of \$350 in December 2005 and \$5000 in January 2006.

MEMBER	NDC_CODE	FILLED DATE	PAID DATE	PLAN PD	OOP	GROSS
Bill Brown	EX555083202	6/2/2005	6/6/2005	\$240.00	10	\$250.00
Bill Brown	EX555083654	7/2/2005	7/6/2005	\$370.00	10	\$380.00
Bill Brown	EX555083654	8/2/2005	8/6/2005	\$370.00	10	\$380.00
Bill Brown	EX555056201	8/10/2005	8/12/2005	\$240.00	10	\$250.00
Bill Brown	EX555056202	1/11/2006	1/12/2006	\$310.30	10	\$320.30
John Jakes	EX665443823	7/2/2005	7/3/2005	\$130.12	10	\$140.12
John Jakes	EX665443824	11/5/2005	11/7/2005	\$150.10	10	\$160.10
John Jakes	EX665443825	3/12/2006	3/15/2006	\$330.45	10	\$340.45
Tina Clark	EX555083432	4/2/2005	4/6/2005	\$260.10	10	\$270.10
Tina Clark	EX575083342	5/15/2005	5/16/2005	\$191.50	10	\$201.50
Tim Jones	EX555083321	12/2/2005	12/6/2005	\$4,490.00	10	\$4,500.00
Tim Jones	EX556538202	1/8/2006	1/10/2006	\$590.00	10	\$600.00
Ana Smith	EX555083202	12/2/2005	12/6/2005	\$5,990.00	10	\$6,000.00
Ana Smith	EX557546207	1/12/2006	1/13/2006	\$290.00	10	\$300.00
Sam Adams	EX555083202	12/2/2005	12/6/2005	\$190.00	10	\$200.00
Sam Adams	EX654827733	1/21/2006	1/24/2006	\$790.00	10	\$800.00
Sam Adams	EX654456214	2/15/2006	2/15/2006	\$1,230.33	10	\$1,240.33
Debra Berry	EX555083202	12/2/2005	12/6/2005	\$340.00	10	\$350.00
Debra Berry	EX654456213	1/14/2006	1/14/2006	\$4,990.00	10	\$5,000.00

Sample Retiree Data (2005-2006)

Month/Year	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible	Estimated Cost Adjustment (ECA)	Allowable Retiree Cost (ARC) = GE - ECA	Subsidy Amount (SA) = ARC X .28
ALL MONTHS	\$0.00	\$21,682.90	\$1,750.00	\$1,750.00	\$7,801.08	\$224.42	\$7,576.66	\$2,121.46
Feb-05	N/A				N/A	N/A	N/A	N/A
Mar-05	N/A				N/A	N/A	N/A	N/A
Apr-05	N/A	\$270.10	\$250.00		N/A	N/A	N/A	N/A
May-05	N/A	\$201.50	\$0.00		N/A	N/A	N/A	N/A
Jun-05	N/A	\$250.00	\$250.00		N/A	N/A	N/A	N/A
Jul-05	N/A	\$520.12	\$140.12		N/A	N/A	N/A	N/A
Aug-05	N/A	\$630.00	\$0.00		N/A	N/A	N/A	N/A
Sep-05	N/A				N/A	N/A	N/A	N/A
Oct-05	N/A				N/A	N/A	N/A	N/A
Nov-05	N/A	\$160.10	\$109.88		N/A	N/A	N/A	N/A
Dec-05	N/A	\$11,050.00	\$950.00	\$1,000.00	N/A	N/A	N/A	N/A
Jan-06		\$7,020.30	\$50.00	\$750.00	\$6,220.30	\$177.00	\$6,043.30	\$1,692.12
Feb-06		\$1,240.33	\$0.00	\$0.00	\$1,240.33	\$37.21	\$1,203.12	\$336.87
Mar-06		\$340.45	\$0.00	\$0.00	\$340.45	\$10.21	\$330.24	\$92.47

Sample Summary Data (2005-2006)

Cost Reporting Example Illustrating Multiple Benefit Options Reported Over Several Months

	A	B	C	D	E	F	G	H	I	J
1	UBOI	Month/Year	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible	Estimated Cost Adjustment (ECA)	Allowable Retiree Cost (ARC) = GE - ECA	Subsidy Amount (SA) = ARC X .28
2	TOTAL	ALL MONTHS	\$44,262.00	\$934,448.84	\$821,491.93	\$5,966.65	\$151,252.26	\$3,203.00	\$148,049.26	\$41,453.79
3	Postmaster21	Feb-05	N/A				N/A	N/A	N/A	N/A
4		Mar-05	N/A				N/A	N/A	N/A	N/A
5		Apr-05	N/A				N/A	N/A	N/A	N/A
6		May-05	N/A				N/A	N/A	N/A	N/A
7		Jun-05	N/A				N/A	N/A	N/A	N/A
8		Jul-05	N/A				N/A	N/A	N/A	N/A
9		Aug-05	N/A				N/A	N/A	N/A	N/A
10		Sep-05	N/A				N/A	N/A	N/A	N/A
11		Oct-05	N/A				N/A	N/A	N/A	N/A
12		Nov-05	N/A				N/A	N/A	N/A	N/A
13		Dec-05	N/A				N/A	N/A	N/A	N/A
14		Jan-06		\$38,321.45	\$32,301.83	\$0.00	\$6,019.62	\$180.00	\$5,839.62	\$1,635.09
15	Feb-06		\$40,237.34	\$31,453.08	\$0.00	\$8,784.26	\$263.00	\$8,521.26	\$2,385.95	
16	Mar-06		\$39,845.88	\$30,432.91	\$0.00	\$9,412.97	\$282.00	\$9,130.97	\$2,556.67	
17										
18	Gold Plus	Feb-05	N/A				N/A	N/A	N/A	N/A
19		Mar-05	N/A				N/A	N/A	N/A	N/A
20		Apr-05	N/A				N/A	N/A	N/A	N/A
21		May-05	N/A				N/A	N/A	N/A	N/A
22		Jun-05	N/A				N/A	N/A	N/A	N/A
23		Jul-05	N/A				N/A	N/A	N/A	N/A
24		Aug-05	N/A				N/A	N/A	N/A	N/A
25		Sep-05	N/A				N/A	N/A	N/A	N/A
26		Oct-05	N/A				N/A	N/A	N/A	N/A
27		Nov-05	N/A				N/A	N/A	N/A	N/A
28		Dec-05	N/A				N/A	N/A	N/A	N/A
29		Jan-06		\$65,737.35	\$60,592.88	\$0.00	\$5,144.47	\$154.00	\$4,990.47	\$1,397.33
30	Feb-06		\$68,987.83	\$60,342.31	\$358.91	\$8,286.61	\$248.00	\$8,038.61	\$2,250.81	
31	Mar-06		\$69,324.11	\$59,984.93	\$847.24	\$8,491.94	\$254.00	\$8,237.94	\$2,306.62	
32										

33	Gold Standard	Feb-05	N/A				N/A	N/A	N/A	N/A
34		Mar-05	N/A				N/A	N/A	N/A	N/A
35		Apr-05	N/A				N/A	N/A	N/A	N/A
36		May-05	N/A				N/A	N/A	N/A	N/A
37		Jun-05	N/A				N/A	N/A	N/A	N/A
38		Jul-05	N/A				N/A	N/A	N/A	N/A
39		Aug-05	N/A				N/A	N/A	N/A	N/A
40		Sep-05	N/A				N/A	N/A	N/A	N/A
41		Oct-05	N/A				N/A	N/A	N/A	N/A
42		Nov-05	N/A				N/A	N/A	N/A	N/A
43		Dec-05	N/A				N/A	N/A	N/A	N/A
44		Jan-06		\$21,234.43	\$20,123.64	\$0.00	\$1,110.79	\$33.00	\$1,077.79	\$301.78
45	Feb-06		\$25,873.40	\$20,131.32	\$0.00	\$5,742.08	\$172.00	\$5,570.08	\$1,559.62	
46	Mar-06		\$26,121.98	\$15,980.43	\$397.98	\$9,743.57	\$292.00	\$9,451.57	\$2,646.44	
47										
48	Silver Plus	Feb-05	N/A				N/A	N/A	N/A	N/A
49		Mar-05	N/A				N/A	N/A	N/A	N/A
50		Apr-05	N/A				N/A	N/A	N/A	N/A
51		May-05	N/A				N/A	N/A	N/A	N/A
52		Jun-05	N/A				N/A	N/A	N/A	N/A
53		Jul-05	N/A				N/A	N/A	N/A	N/A
54		Aug-05	N/A				N/A	N/A	N/A	N/A
55		Sep-05	N/A				N/A	N/A	N/A	N/A
56		Oct-05	N/A				N/A	N/A	N/A	N/A
57		Nov-05	N/A				N/A	N/A	N/A	N/A
58		Dec-05	N/A				N/A	N/A	N/A	N/A
59		Jan-06		\$80,342.21	\$70,949.36	\$152.88	\$9,239.97	\$277.00	\$8,962.97	\$2,509.63
60	Feb-06		\$88,732.42	\$80,876.66	\$571.37	\$7,284.39	\$218.00	\$7,066.39	\$1,978.59	
61	Mar-06		\$88,121.78	\$76,344.49	\$997.80	\$10,779.49	\$323.00	\$10,456.49	\$2,927.82	
62										

63	Silver Standard	Feb-05	N/A				N/A	N/A	N/A	N/A
64		Mar-05	N/A				N/A	N/A	N/A	N/A
65		Apr-05	N/A				N/A	N/A	N/A	N/A
66		May-05	N/A				N/A	N/A	N/A	N/A
67		Jun-05	N/A				N/A	N/A	N/A	N/A
68		Jul-05	N/A				N/A	N/A	N/A	N/A
69		Aug-05	N/A				N/A	N/A	N/A	N/A
70		Sep-05	N/A				N/A	N/A	N/A	N/A
71		Oct-05	N/A				N/A	N/A	N/A	N/A
72		Nov-05	N/A				N/A	N/A	N/A	N/A
73		Dec-05	N/A				N/A	N/A	N/A	N/A
74		Jan-06		\$92,123	\$90,876	\$366.38	\$880.63	\$26.00	\$854.63	\$239.30
75	Premier	Feb-06		\$96,321.65	\$89,212.78	\$752.77	\$6,356.10	\$190.00	\$6,166.10	\$1,726.51
76		Mar-06		\$93,123.67	\$81,888.98	\$1,521.32	\$9,713.37	\$291.00	\$9,422.37	\$2,638.26
77										
78		Feb-05	N/A				N/A	N/A	N/A	N/A
79		Mar-05	N/A				N/A	N/A	N/A	N/A
80		Apr-05	N/A				N/A	N/A	N/A	N/A
81		May-05	N/A				N/A	N/A	N/A	N/A
82		Jun-05	N/A				N/A	N/A	N/A	N/A
83		Jul-05	N/A				N/A	N/A	N/A	N/A
84		Aug-05	N/A				N/A	N/A	N/A	N/A
85		Sep-05	N/A				N/A	N/A	N/A	N/A
86		Oct-05	N/A				N/A	N/A	N/A	N/A
87		Nov-05	N/A				N/A	N/A	N/A	N/A
88		Dec-05	N/A				N/A	N/A	N/A	N/A
89		Jan-06	\$14,876.00				\$14,876.00		\$14,876.00	\$4,165.28
90		Feb-06	\$14,473.00				\$14,473.00		\$14,473.00	\$4,052.44
91		Mar-06	\$14,913.00				\$14,913.00		\$14,913.00	\$4,175.64
92										

Sample Summary Data (Multi-Benefit Option)

Cost Reporting Example Illustrating Reporting Adjusted Costs

Example: A Plan Sponsor has previously submitted cost data to the RDS Center for an application with a plan year ending in 2006. The Plan Sponsor has to date reported cost data through February 2005 to the RDS Center. When preparing to submit the cost data for March 2005, the sponsor sees that cost data for months previously submitted to the RDS Center has changed, and new cost data was just received.

Retiree 1, Debra Berry, incurred costs of \$350 in December 2005, \$5000 in January 2006.

Retiree 2, John Jakes, incurred costs of \$140.12 in July 2005 and \$150.10 in November 2005.

This information was reported to the RDS Center in February 2006.

	A	B	C	D	E	F	G
1	MEMBER	NDC_CODE	FILLED_DATE	PAID_DATE	PLAN_PD	OOP	GROSS
2	Ana Smith	EX555083202	12/2/2005	12/6/2005	\$5,990.00	10	\$6,000.00
3	Ana Smith	EX557546207	1/12/2006	1/13/2006	\$290.00	10	\$300.00
4	Bill Brown	EX555083202	6/2/2005	6/6/2005	\$240.00	10	\$250.00
5	Bill Brown	EX555083654	7/2/2005	7/6/2005	\$370.00	10	\$380.00
6	Bill Brown	EX555083654	8/2/2005	8/6/2005	\$370.00	10	\$380.00
7	Bill Brown	EX555056201	8/10/2005	8/12/2005	\$240.00	10	\$250.00
8	Bill Brown	EX555056202	1/11/2006	1/10/2006	\$310.30	10	\$320.30
9	Debra Berry	EX555083202	12/2/2005	12/6/2005	\$340.00	10	\$350.00
10	Debra Berry	EX654456213	1/14/2006	1/14/2006	\$4,990.00	10	\$5,000.00
11	John Jakes	EX665443823	7/2/2005	7/3/2005	\$130.12	10	\$140.12
12	John Jakes	EX665443824	11/5/2005	11/7/2005	\$150.10	10	\$160.10
13	Sam Adams	EX555083202	12/2/2005	12/6/2005	\$190.00	10	\$200.00
14	Sam Adams	EX654827733	1/21/2006	1/24/2006	\$790.00	10	\$800.00
15	Sam Adams	EX654456214	2/15/2006	2/15/2006	\$1,230.33	10	\$1,240.33
16	Tim Jones	EX555083321	12/2/2005	12/6/2005	\$4,490.00	10	\$4,500.00
17	Tim Jones	EX556538202	1/8/2006	1/10/2006	\$590.00	10	\$600.00
18	Tina Clark	EX555083432	4/2/2005	4/6/2005	\$260.10	10	\$270.10
19	Tina Clark	EX575083342	5/5/2005	5/6/2005	\$191.50	10	\$201.50

Sample Original Cost Data

However, when aggregating March 2006 cost data, new or revised cost data was realized for the previously reported months of January 2006 and September 2005.

Retiree 1, Debra Berry, incurred cost of \$5000 in January 2006 was deleted.

Retiree 2, John Jakes, incurred cost of \$280 in September 2005 was just received.

Additionally, new costs for March of \$340.45 need to be reported.

	A	B	C	D	E	F	G
1	MEMBER	NDC_CODE	FILLED_DATE	PAID_DATE	PLAN_PD	OOP	GROSS
2	Ana Smith	EX555083202	12/2/2005	12/6/2005	\$5,990.00	10	\$6,000.00
3	Ana Smith	EX557546207	1/12/2006	1/13/2006	\$290.00	10	\$300.00
4	Bill Brown	EX555083202	6/2/2005	6/6/2005	\$240.00	10	\$250.00
5	Bill Brown	EX555083654	7/2/2005	7/6/2005	\$370.00	10	\$380.00
6	Bill Brown	EX555083654	8/2/2005	8/6/2005	\$370.00	10	\$380.00
7	Bill Brown	EX555056201	8/10/2005	8/12/2005	\$240.00	10	\$250.00
8	Bill Brown	EX555056202	1/11/2006	1/10/2006	\$310.30	10	\$320.30
9	Debra Berry	EX555083202	12/2/2005	12/6/2005	\$340.00	10	\$350.00
10	Debra Berry	EX654456213	1/14/2006	1/14/2006	\$4,990.00	10	\$5,000.00
11	John Jakes	EX665443823	7/2/2005	7/3/2005	\$130.12	10	\$140.12
12	John Jakes	EX666666666	9/5/2005	11/7/2005	\$280.00	10	\$290.00
13	John Jakes	EX665443824	11/5/2005	11/7/2005	\$150.10	10	\$160.10
14	John Jakes	EX665443825	3/12/2006	3/15/2006	\$330.45	10	\$340.45
15	Sam Adams	EX555083202	12/2/2005	12/6/2005	\$190.00	10	\$200.00
16	Sam Adams	EX654827733	1/21/2006	1/24/2006	\$790.00	10	\$800.00
17	Sam Adams	EX654456214	2/15/2006	2/15/2006	\$1,230.33	10	\$1,240.33
18	Tim Jones	EX555083321	12/2/2005	12/6/2005	\$4,490.00	10	\$4,500.00
19	Tim Jones	EX556538202	1/8/2006	1/10/2006	\$590.00	10	\$600.00

Revised Cost Data Received After Submitted to RDS Center

11	John Jakes	EX665443823	7/2/2005	7/3/2005	\$130.12	10	\$140.12
12	John Jakes	EX666666666	9/5/2005	11/7/2005	\$280.00	10	\$290.00
13	John Jakes	EX665443824	11/5/2005	11/7/2005	\$150.10	10	\$160.10
14	John Jakes	EX665443825	3/12/2006	3/15/2006	\$330.45	10	\$340.45

Month	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible (GE) †	Estimated Cost Adjustment (ECA) *	Allowable Retiree Costs (ARC) †	Subsidy Paid (SP) †
Apr-05	N/A	0	0	0	N/A	N/A	N/A	N/A
May-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Jun-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Jul-05	N/A	140.12	140.12	0	N/A	N/A	N/A	N/A
Aug-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Sep-05	N/A	290.00	109.88	0	N/A	N/A	N/A	N/A
Oct-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Nov-05	N/A	160.10	0	0	N/A	N/A	N/A	N/A
Dec-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Jan-06	N/A	0	0	0	0	0	0	0
Feb-06	N/A	0	0	0	0	0	0	0
Mar-06	N/A	340.45	0	0	340.45	10.21	330.24	92.47

Sample John's New Cost Data

9	Debra Berry	EX555083202	12/2/2005	12/6/2005	\$340.00	10	\$350.00
10	Debra Berry	EX654456213	1/14/2006	1/14/2006	\$4,990.00	10	\$5,000.00

Month	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible (GE) †	Estimated Cost Adjustment (ECA)*	Allowable Retiree Costs (ARC) †	Subsidy Paid (SP) †
Apr-05	N/A	0	0	0	N/A	N/A	N/A	N/A
May-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Jun-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Jul-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Aug-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Sep-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Oct-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Nov-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Dec-05	N/A	350.00	250.00	0	N/A	N/A	N/A	N/A
Jan-06	N/A	0	0	0	0	0	0	0
Feb-06	N/A	0	0	0	0	0	0	0
Mar-06	N/A	0	0	0	0	0	0	0

Month	Estimated Premium (EP)	Gross Retiree Cost (GRC)	Threshold Reduction (THR)	Limit Reduction (LR)	Gross Eligible (GE) †	Estimated Cost Adjustment (ECA)*	Allowable Retiree Costs (ARC) †	Subsidy Paid (SP) †
Apr-05	N/A	270.10	250.00	0	N/A	N/A	N/A	N/A
May-05	N/A	201.50	0	0	N/A	N/A	N/A	N/A
Jun-05	N/A	250.00	250.00	0	N/A	N/A	N/A	N/A
Jul-05	N/A	520.12	140.12	0	N/A	N/A	N/A	N/A
Aug-05	N/A	630.00	0	0	N/A	N/A	N/A	N/A
Sep-05	N/A	290.00	109.88	0	N/A	N/A	N/A	N/A
Oct-05	N/A	0	0	0	N/A	N/A	N/A	N/A
Nov-05	N/A	160.10	0	0	N/A	N/A	N/A	N/A
Dec-05	N/A	11050	950.00	1000.00	N/A	N/A	N/A	N/A
Jan-06	N/A	2020.30	50.00	400.00	1570.30	47.11	1523.19	426.50
Feb-06	N/A	1240.33	0	0	1240.33	37.21	1203.12	336.87
Mar-06	N/A	340.45	340.45	0	340.45	10.21	330.24	92.47

Note: Cost data for September 2005, November 2005, and January 2006 were all resubmitted. Not just the adjusted amounts were re-submitted, but the entire month's cost data had to be reaggregated and resubmitted.